

**ABAG-MTC Joint Policy Committee**

September 24, 2004

10:00 a.m.

MetroCenter, Room 171

101 Eighth Street, Oakland

**AGENDA**

1. Welcome and Opening Remarks
2. Approval of Joint Policy Committee Meeting Minutes Action  
June 18, 2004 (distributed at August 11<sup>th</sup> meeting, and attached)  
August 11, 2004 (attached)
3. Proposed Work Program for October – December 2004 (attached) Action  
Building on the presentation and discussion at the August 11<sup>th</sup> meeting, the Regional Planning Program Director proposes a work program for the next six months.
4. Proposed JPC Agenda for 2005 Session of California Legislature Action  
(attached)  
One of the items identified in the Proposed Work Program is the pursuit of state legislation supportive of Smart Growth and the regional vision. The memorandum from the Regional Planning Program Director analyzes potential legislative initiatives and recommends an approach in preparation for the 2005-2006 Legislative Session.
5. Projections 2005 (attached) Discussion  
ABAG's unique policy-based projections are central to the implementation of the regional vision. Transportation and housing plans rely on the projections, which balance policy and empirical considerations. ABAG Research Director, Paul Fassinger, will talk about the policy assumptions underlying the next set of regional projections, the draft projections themselves, and the monitoring of smart-growth initiatives relative to the projections.
6. Transit Oriented Development Discussion  
In pursuit of Smart Growth and its Transportation/Land-Use Policy, MTC is developing policies for Transit Oriented Development. These could have a profound impact on development associated with future transit extensions, the timing of those extensions, and the general distribution of development throughout the region and in adjacent regions. MTC Senior

Planner, James Corless, will present.

7. Legislative Update  
The attached tables, prepared by ABAG and MTC legislative staff, summarize the status of legislation related to the JPC's mandate as of the end of the legislative session. Information
6. Other Business
7. Public Comment

## ABAG-MTC Joint Policy Committee

Minutes of the Meeting of June 18, 2004  
Held at 10:00 a.m. in MetroCenter Room 171

### Attendance:

#### ABAG members:

Jane Brunner  
Dave Cortese  
Scott Haggerty  
Rose Jacobs Gibson  
Mark Green  
Steve Rabinowitsh  
Gwen Regalia

#### MTC members:

Mark DeSaulnier  
Jon Rubin  
Shelia Young

#### MTC staff:

Therese McMillan  
Terri Green  
Doug Kimsey  
James Corless

#### ABAG staff:

Patricia Jones  
Eugene Leong

#### Other:

Bijan Sartipi, Caltrans  
Dana Cowell, Caltrans  
Ted Droettboom, Provisional Director, Regional Planning Program

1. Introductions  
Those in attendance introduced themselves.
2. Election of Officers – Chair/Vice Chair or Co-Chairs  
The Committee decided to continue with rotating chairs for the time being.
3. Ratification of Appointment of Regional Planning Program Director – Ted Droettboom  
Mr. Droettboom's appointment was ratified.
4. Committee Structure and Administration  
Membership: The Committee did not alter its membership.

Meeting Logistics: The Committee will meet bi-monthly to quarterly, depending on the demands of its workload. In the beginning, more frequent meetings may be required to establish and maintain momentum. Most members preferred the third Friday of the month as a meeting time. It was suggested meetings be scheduled so that a minimum of five of each organization can attend.

5.     Review of Final Task Force Report and Initial Discussion of Work Program  
      The Committee will begin its work program discussion at its next meeting with a review of each organization's current regional planning work program: i.e., how is regional planning done now.
6.     Senate Bill 849—Status Report  
      This bill, codifying the JPC and establishing certain requirements, was slowly wending its way through the legislative process. The differing positions of the two participating organizations were noted and discussed, particularly relative to the involvement of the Bay Area Air Quality Management District.
7.     Other Business  
      It was suggested, without opposition, that Caltrans be invited to participate in Committee discussions in an *ex officio* capacity.  
  
      Mr. Haggerty reminded the Committee of an upcoming visit to SANDAG in San Diego, scheduled for July 23<sup>rd</sup>. (This trip was subsequently cancelled due inability of most members to participate.)

ABAG-MTC Joint Policy Committee

Minutes of the Meeting of August 11, 2004  
Held at 10:00 a.m. in ABAG Conference Room B

Attendance:

ABAG members:

Dave Cortese  
Rose Jacobs Gibson  
Mark Green  
Steve Rabinowitsh  
Gwen Regalia

MTC members:

Mark DeSaulnier  
Steve Kinsey (Chair)  
Sue Lempert  
John McLemore  
Jon Rubin  
Jim Spering

ABAG staff:

Alex Amoroso  
Patricia Jones  
Eugene Leong  
Janet McBride  
Kenneth Moy

MTC staff:

Steve Heminger  
Doug Kimsey  
James Corless

JPC staff:

Ted Droettboom

Other:

Linda Craig, League of Women Voters  
Michael Cunningham, Bay Area Council  
David Schonbrunn, Transdef  
Leslie Stewart, Bay Area Monitor

1. Welcome and Opening Remarks

The chair opened the meeting with a welcome, and those in attendance introduced themselves.

2. Approval of Joint Policy Committee Meeting Minutes of June 18, 2004

The Minutes of the last meeting were distributed but not acted upon.

3. The Regional Planning Landscape

The Regional Planning Program Director reviewed current regional planning efforts, presented an initial assessment of issues and concerns, and sought the Committee's informal guidance on a general approach to work program. A copy of the Director's PowerPoint presentation has been distributed to Committee members and is available on the JPC website ([abag.ca.gov/jointpolicy/meetings](http://abag.ca.gov/jointpolicy/meetings)).

Committee members and others commented that:

- The vision needs to be confirmed with and implemented through local governments, using planners and city managers as the conduits, and through mechanisms that are friendly, not bureaucratic;
- Our regional planning objectives need to be integrated into continuous local planning and into other lasting institutions so that implementation continues after those who are here now are gone;
- The uniqueness of the region needs to be recognized in our vision and its implementation;
- We should implement incrementally and carefully through example;
- Transportation policy needs to facilitate smart growth;
- We need to monitor and track progress on the ground, learning what municipalities are now doing to pursue development which serves regional objectives;
- We may want to consider attaching priorities to different open spaces, allocating employment growth across the region and assigning housing growth to broader areas than individual municipalities;
- We need to be conscious of potential unintended consequences when implementing broad reforms in such areas as construction defect litigation and taxation systems;
- We should be proactive with our own legislative agenda and with public communication.

#### 4. Meeting Schedule

The Committee agreed that, if required, it will meet on the mornings of the following dates: September 24th, October 22nd, November 19th, and December 17th. The Committee expressed a preference for meeting less frequently than once a month as soon as possible.

#### 5. Legislative Update

Summaries of pending legislation relating to the Committee's mandate were distributed.

6. Other Business

There was none.

7. Public Comment

A concern was expressed about the adequacy of public notification for this meeting. The Director will ensure that this problem does not recur.

## ABAG-MTC Regional Planning Program

Date: September 1, 2004

To: ABAG-JPC Joint Policy Committee

From: Ted Droettboom, Regional Planning Program Director

Subject: Regional Planning Work Program, October, 2004 – March, 2005

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This memo details a proposed JPC regional planning program for the next six months. At this early stage in the JPC's evolution, I am asking the Committee to approve a work program a half year at a time. While annual programs are appropriate for larger, more mature organizations, I believe that the learning process we are going through demands shorter-term commitments and a more flexible programming approach. The first program will take us through to the end of March, culminating in a progress review and new quarterly work program at the Committee's meeting in April.

In this first program, there is a heavy emphasis on the Regional Planning Program Director as the primary staff resource. I did not want to disrupt work programs in MTC or ABAG that were committed before my arrival. Over time, my expectation is that we will build to more joint work program activities, involving fairly substantial resource commitments from both organizations—but only as previous commitments are completed.

You will recall that at the JPC meeting of August 11<sup>th</sup>, I presented some work program principles as follows:

- Build on what we have;
- Emphasize tangible achievements;
- Identify tasks before responsibility;
- Link tasks to the vision;
- Promote and reinforce the vision.

I also presented a general work program approach:

1. Accept the vision;
2. Review, refine and support implementation underway;
3. Identify and pursue other low-resistance implementation measures;
4. Use the vision as a basis for review and comment on regionally significant projects;
5. Investigate the feasibility and acceptability of more difficult implementation measures; build cases as required;
6. Promote, test, refine and expand the vision through implementation and monitoring;



7. Investigate the feasibility and desirability of filling in policy and implementation gaps.

The proposed work program builds on the Committee's discussion of my presentation—particularly on the Committee's desire to not simply accept the regional vision, but to confirm it with local governments.

I propose that the first six-month program have the following elements:

1. **Objective: Initiate process for local confirmation of the regional vision (Smart Growth Strategy/Regional Livability Footprint Project) and local implementation of a voluntary regional interest statement for major project review.**

We will prepare a short summary of the regional vision and a simple scorecard for use by localities in assessing the regional impact of major projects, and then negotiate a process with the Bay Area Planning Directors Association for reporting to local councils and boards for approval and implementation.

2. **Objective: Prepare ABAG-MTC regional planning bill proposals and legislative strategy for 2005-2006 session of the State Legislature.**

After receiving JPC approval for a general approach (see item 4 on today's agenda), we will firm up bill content, draft bill language, and develop a strategy for introducing and pursuing ABAG-MTC regional planning legislation through the next session.

3. **Objective: Provide JPC review and comment on pre-existing MTC or ABAG work program items related to implementation of the Smart Growth Strategy/Regional Livability Footprint Project.**

We will facilitate the Committee's review of a number of regional work items that can assist the implementation of the Smart Growth vision (see items 5 and 6 on today's agenda).

4. **Objective: Develop a mechanism and process for regional planning comment on significant projects.**

We will develop and (subject to the Committee's approval) implement a proposal for improving the relevance and effectiveness of the present regional clearing-house process, including the identification and review of projects that do not receive federal funding and the inclusion of the JPC and its regional policy objectives as a central part of the process.

**5. Objective: Develop a communication strategy to build wider understanding and support for the regional planning vision.**

We will identify target audiences, messages, media and potential communication partners; develop a coordinated strategy; and prepare a budgeted proposal for the JPC's consideration. A critical consideration is whether communication is directed to the general public or is aimed, at least initially, at a more limited audience of key opinion leaders.

**6. Objective: Assemble implementation tool kit.**

We will identify best practices from around North America and the world, assess applicability to the Bay Area, develop a standardized format for describing practices, and assemble a looseleaf and online catalog for use by regional and local practitioners. The smart growth movement has more tool kits than Heinz has varieties. The emphasis here will be to focus on those tools with particular applicability to the Bay Area and the adopted regional vision.

**7. Objective: Identify areas of focus for regional implementation resources.**

The region will not be effective in achieving smart growth if it dilutes its limited resources across the Bay Area without differentiation. Intelligent implementation needs to recognize that some areas are more ready and appropriate than others for the immediate concentration of effort. The direction of resources to specific opportunities will also respect the unique geographic structure and history of the Bay Area and acknowledge that universal and simultaneous application of smart growth principles to all areas will lead to a lowest common denominator, which is not very "smart" at all. This work item, culminating in a report to the Committee, will identify priority areas for the direction of the region's efforts and recommend general approaches appropriate for each.

**8. Objective: Initiate monitoring and evaluation.**

We will begin a process to continually assess the region's receptiveness to the vision and our success in implementation, building on and consolidating monitoring efforts already underway in both ABAG and MTC and in the voluntary sector. The resultant intelligence will assist in navigating obstacle strewn waters and maintaining progress toward the vision. Initial monitoring will consist of a relatively informal inventory of successes and difficulties, but will become more formal and systematic as we identify key, measurable progress indicators.

**Recommendation**

With the concurrence of the Executive Directors of ABAG and MTC, I recommend that the Joint Policy Committee approve the above work program to guide activities during the final three months of 2004 and the first three months of 2005.

## ABAG-MTC Regional Planning Program

Date: August 30, 2004

To: ABAG-JPC Joint Policy Committee

From: Ted Droettboom, Regional Planning Program Director

Subject: 2005-2006 ABAG-MTC Joint Legislative Agenda—First Thoughts

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As one element of a JPC regional planning work program, I have done some preliminary work on a proactive ABAG-MTC legislative agenda for regional planning. The idea is for the JPC to put forth its own legislative proposal to the next session, rather than merely react to whatever emerges from the members in Sacramento. This memo records some initial ideas on this subject and seeks Committee guidance on next steps.

Adhering to the general principal of building on what we already have, and as a first step, I inventoried the legislative initiatives identified in the *Smart Growth Strategy Regional Livability Project*. As some of these were very general and mixed together local regulatory choices with desired state legislation, I also looked at some other contemporaneous sources: *The Compact for a Sustainable Bay Area*; the Urban Land Institute's *Putting the Pieces Together: State Actions to Encourage Smart Growth Practices in California*; the Metropolitan Area Research Corporation's *California Metropatterns: A Regional Agenda for Community and Stability in California*; and *The New California Dream: Regional Solutions for 21<sup>st</sup> Century Challenges*, the final report of the Speaker's Commission on Regionalism. The last two documents are consistent in general legislative direction with the first three, but add no new specifics. Therefore, they are not explicitly noted in the inventory table attached to this memo.

The accompanying table lists various specific legislative initiatives, identifies sources and, where possible, ties these to actual existing or proposed legislation. Given the complexity and opacity of the California legislative process, I am not confident that I have made all the relevant connections yet.

I have made a few comments on some of the proposed initiatives. Most of these comments address the relationship of the proposed initiative to the central regional planning/smart growth purpose. I found many of the initiatives, while worthwhile, to be somewhat marginal to regional planning; they are supportive, but not critical to getting smart growth happening. Including them in our legislative agenda would, I fear, blur focus and dilute effectiveness. I also note that many of the initiatives require a substantial resource commitment from the State. This is likely not achievable in the current fiscal climate.

Of the initiatives that remain, there are four clusters which could be genuinely and powerfully useful to the cause of regional planning. These are: (1) local-government fiscal

reform, (2) protection from excessive construction defect litigation, (3) reform of the housing needs determination process and (4) neighborhood-specific planning/CEQA expedition.

## 1. Fiscal Reform

The first cluster of initiatives, related to local-government fiscal reform, is pervasive in nearly all thinking and writing about California regional development. The so-called “fiscalization of zoning,” in association with other forces like NIMBYism, may be a force in causing some localities to be less welcoming to new housing than they otherwise might be. And, in combination with insular planning, it may lead to the oversupply of new retail space and the associated deterioration of traditional, neighborhood-oriented commercial areas. Please note the conditional language in the above description; it is easy to find exceptions to the general rule that the current distribution of sales and property tax revenues leads to regionally bad land-use decisions. Clearly, however, it does stack the deck and is not generally helpful to sustainability objectives.

Curiously not mentioned in any of the documentation reviewed for the inventory is the perverse effect that Proposition 13 may have in encouraging the over-consumption of housing by empty-nesters and the withholding of some existing family housing stock from the market. This may contribute to suburban development pressures and sprawl. While less related to regional-planning objectives, the patently unjust inequities built into the current property tax system also point to a need to for a fundamental reform.

Unfortunately, the recent budget deal between the state and local governments and the possibility of cementing the resultant fiscal arrangements in the state constitution may make meaningful fiscal reform more difficult than ever. Certainly, the “a deal is a deal” climate likely to follow the recently intense negotiations will make a 2005-2006 timing a difficult one for the serious consideration of radical alternatives.

Suggestions for fiscal reform are many. They range from the simple return of property tax revenue diverted from local governments for educational purposes, to property and sales tax swapping between cities and counties, to various other arrangements for tax-base sharing, as in Minnesota. We are currently not in a good position to evaluate and recommend among these alternatives.

There is also a substantial worry about simply applying additional patches to a structure that appears to be fundamentally unsound. California arrived at the current precarious position through *ad hoc* changes, perceived as improvements. Does the region want the state to continue making incremental changes, creating as many unintended negative consequences as genuine benefits, or does it want to call for a more thorough, thoughtful redesign of the mechanisms for financing local government? Most intelligent observers of California fiscal history would opt for the latter, recognizing that implementation would have to be incremental but that we would be building toward a common, more holistic vision of local government finance. That vision would be responsive to multiple objec-

tives including stability, predictability, equity, simplicity, administrative efficiency, and of course adequacy.

Unfortunately, while a fundamental rethink may be the right way to go, it is probably not palatable at this time. Therefore, it is probably best to let this one lie—at least for now. Eventually, as the current arrangement begins to crumble, there may be an opportunity for the voice of rational reason to intervene, but legislative proposals in this area would probably not be welcome at the moment.

## 2. Construction Defect Litigation

There were at least three bills before the recent legislative session which declared an intent to protect builders from excessive litigation. Presumably these were placeholders for more specific legislation being prepared and advocated by the industry.

To the extent that fear of unreasonable litigation is a genuine disincentive to multi-family development, the region should be supportive of reforms which reduce the likelihood of frivolous and expensive suits and which substitute other less-costly and time-consuming mechanisms for dispute resolution. Of course, the region also wants to ensure that consumers are protected, and it does not want to encourage shoddy and dangerous construction.

Given the obvious industry interest in this subject and the activity already exhibited in Sacramento, there is probably not much utility in pursuing a separate and independent legislative initiative on this issue. At minimum the JPC should maintain a watching brief and provide comments and support when appropriate. A step up from this would be to contact the principal advocates of potential legislation, most likely the Homebuilders' Association, and offer assistance in vetting drafts and making suggestions which would help balance interests.

## 3. Housing Needs Determination

The present process is a substantial irritant to local governments, consumes a phenomenal amount of ABAG staff effort and does not seem to result in much positive change. There is, however, some potential to use the negotiation of local housing targets as a positive element for regional planning.

Two complementary bills in the recent session, AB 2158 and AB 2348, aim to change the process and the related general plan housing element requirements. Both bills are now on the Governor's desk for signature.

In this context, an immediate legislative initiative from the region would probably not be welcomed. However, assuming the new bills are signed into law, we should be preparing an analysis of their impact on the region and its constituent local governments. Staff should report to the JPC on what improvements (if any) the new bills permit in the needs determination process, what new issues (if any) they create, and what reforms remain de-

sirable to make the housing allocations genuinely useful for pursuing the regional vision. These may become part of a future legislative agenda.

#### 4. Neighborhood Planning and CEQA

This is the area in which a joint legislative proposal from MTC and ABAG could make the most sense and have the highest impact. Furthermore, it is possible to construct an integrated and comprehensive package, clustering together initiatives 2, 5, 6, 9, 17, 18, 19, 20, 22, 24, 25, 26, 27, 29, 30 and 32 from the accompanying table. The package would build on three big ideas underlying the various individual initiatives: (1) the need for long-term, area-specific plans; (2) the desire for a streamlined, expedited approval process, particularly as it relates to CEQA; and (3) the perception that some localities may require incentives to do the right thing.

To address each of these ideas together in a synergistic way that builds commitment from plan through implementation, I propose something which might tentatively be called the Environmental Protection Through Planned Communities Act.

To build the act, we start with the premise that one of the things that has fallen by the wayside—or will fall—as the result of rapid growth coupled with local-government belt-tightening is good mid-level city planning. This includes the specific, neighborhood, or local-area planning efforts that lie between mandatory general plans and development entitlements. These plans spell out the relationships between relatively precise uses and densities, make concurrent infrastructure and amenity commitments and give developers and the community some sense of certainty that developments will be approved and that growth will occur in a comfortable and compatible manner. A frequent criticism is that planning departments have become permit-processing mills, and that in the absence of planning and the certainty it provides, communities have turned to CEQA and other one-off processes to protect themselves. Negotiating good development then becomes a lengthy, costly, uncertain process that nobody likes. Further, the resultant neighborhoods, constructed from a series of *ad hoc* decisions, miss complementary uses and amenities, do not hang together well and are generally not as pleasant and attractive as they could have been.

Therefore, the first element in the proposed act is state funding of planning grants to produce specific neighborhood plans, subject to a few smart-growth and planning process criteria. In particular:

- Residential area plans shall be to build or fill-in *complete* neighborhoods, containing a mix of uses that make it possible to meet most everyday needs for goods and services without driving, and shall result in an increase in housing, consistent with regional housing objectives.
- Plans for industrial or office areas shall be to redress an existing jobs-to-resident imbalance and shall be aimed at creating employment opportunities appropriate to the adjacent work force.

- The plans shall be for the in-fill of existing urbanized areas, the redevelopment of brownfields or other redundant and underutilized urban sites and/or be oriented to transit, either in a station area or along a high-capacity bus corridor.
- The planning process must have an explicit and deliberate public-participation component, sufficient to ensure that the impacts on the existing and adjacent communities and local public objectives have been seriously considered.
- Planning shall be completed to a level of detail and environmental impacts shall be assessed sufficient to allow a CEQA determination for the entire area at build-out.

The second element in the act is hinted at by the last planning criterion. This is permission for an expedited development approvals process, by-passing normal project-specific CEQA processes. The assumption is that CEQA requirements will be met or essentially “wholesaled” by the specific area plan, as is permitted under the Master Environmental Impact Report provisions of the present CEQA legislation. Under the act, the completion of an approved plan, accompanied by a Master EIR, becomes the gateway to a substantial regulatory concession. While this is a pooling of CEQA considerations, and not a CEQA exemption, there could be an implicit recognition that compact, smart development that reduces automobile travel demands is inherently more environmentally responsible than most alternatives and therefore deserves some benefit-of-doubt in the impact assessment process.

The third and final element in the act is to provide incentives to localities and developers, so that development may actually occur in the planned areas. The expedited CEQA process may be enough for many development interests, but additional possibilities, available to areas that have met eligibility requirement by completing approved smart-growth community plans, include:

- The use of tax-increment financing to pay for infrastructure and amenity improvements and possibly for affordable housing subsidies;
- The priority assignment of brownfield cleanup assistance (e.g., loans, grants, expedited assessment and agreement processes);
- Priority availability of state infrastructure and school capital funds, including the bending of the criteria for the latter to allow for neighborhood-scale school sizes and multiple community uses;
- The formation of an area-specific committee of state agency representatives to coordinate state investments and programs in assistance to plan implementation;
- The availability of small TLC-like matching grants to assist context-setting capital improvements.

The Achilles heel in the proposed act is, of course, the requirement for state funding—particularly for planning grants (Much of the capital improvement money could come from bending priorities in existing funded programs.). In the current tight times, additional funds to localities will be hard to come by. The region will need to build a convincing argument that this will save state money in the long term and that it will assist in solving some persistent state problems (particularly the availability of affordable housing in proximity to jobs, which currently acts as a disincentive to corporate investment, job creation and tax revenue generation). We can also argue that planning is not all that expensive. A few million dollars can fund an awful lot of area-specific planning.

This proposal clearly needs a lot of work. We need to fill in details and get stakeholder buy-in, write some actual bill language in the context of existing legislation, and strategize an approach to the Legislature and the Governor. However, a comprehensive, beginning-to-end approach to smart growth offers the most promise for moving from idea to implementation.

### Recommendation

I recommend that the Regional Planning Program Director work with ABAG and MTC staff to pursue the approach outlined in this memo, In particular:

- That there be no initiative relating to local-government fiscal reform at this time;
- That staff offer to review and comment on proposed legislation relating to construction defect litigation and closely monitor its progress through the legislature;
- That staff prepare a report on the impact of new legislation governing housing needs determination, particularly relating to the objective of making the process less cumbersome, less artificial and more relevant to implementation of the regional vision;
- That staff prepare a detailed package—including bill language, supporting communication material and a legislative strategy—to introduce and gain passage of a bill facilitating local specific planning, expedited development approvals, and incentives for plan implementation (the “Environmental Protection through Planned Communities Act”).



Legislative Initiatives in Smart Growth Strategy and Related Documents

#	Initiative	Regional Planning Purpose	Sources	Related Pending or Enacted Legislation	Comment
1	Return control of property tax to local governments or at least ensure that local governments receive a larger guaranteed share of property tax revenues.	Will allow governments to receive sufficient revenue from residential development to pay for services. Will reduce bias toward commercial development attributed to reliance on sales tax.	Smart Growth Strategy Livability Footprint Final Report (p. 14)		
2	Provide grants for neighborhood-level planning	Will produce plans that cover multiple possible development projects, providing greater developer certainty and reducing need for time-consuming single-development planning. Advanced plans could be prepared for mixed-use, infill, and transit-oriented projects; and planning grants could be linked to commitment to build housing.	Smart Growth Strategy Livability Footprint Final Report (p. 14)		
3	Allow local governments to permit higher densities for projects that include affordable housing	Will expedite production of more affordable housing	Smart Growth Strategy Livability Footprint Final Report (p. 14)	SB 1818 (Ducheny & Hollingsworth) lowers number of housing required to be provided at below market rate in order to qualify for a density bonus	Current state law requires density bonuses for qualifying affordable units.
4	Allow local governments to reduce parking standards for housing near public transit	Will facilitate transit-oriented development by reducing development costs	Smart Growth Strategy Livability Footprint Final Report (p. 14)		Apparently does not require legislation. Can be done under existing authority
5	Prioritize state infrastructure funding for replacement of deteriorating facilities in already urbanized areas	Will facilitate infill and redevelopment	Smart Growth Strategy Livability Footprint Final Report (p. 15)	AB 857 (Wiggins 2002) requires that a state agency, requesting infrastructure funding, specify how that infrastructure relates to state priorities for infill development and redevelopment, cultural and historical resources, environment and agricultural resources and efficient development patterns	
6	Provide state funds for brownfield cleanup	Will help prepare contaminated infill sites for redevelopment	Smart Growth Strategy Livability Footprint Final Report (p. 15)	Pending SB 493 appropriates \$25 million for cleanup loans and environmental assistance to neighborhoods	
7	Establish liability limits for development on potentially contaminated sites	Will allow developers to better assess and manage the risks of redevelopment	Smart Growth Strategy Livability Footprint Final Report (p. 15)	Pending AB 389 (Montanez) would authorize regulatory agencies to enter into agreements with site purchasers limiting litigation liability for identified contamination SB559 (Ortiz and Machado) would establish a pilot process to streamline the cleanup process.	

# Legislative Initiatives in Smart Growth Strategy and Related Documents

#	Initiative	Regional Planning Purpose	Sources	Related Pending or Enacted Legislation	Comment
8	Subsidize infra-structure for water recycling	Will encourage the use of recycled water for nonpotable uses	Smart Growth Strategy Livability Footprint Final Report (p. 15)		Supportive, but not central to smart growth vision
9	Link new school funding to smart-growth criteria	Will encourage use of schools for multiple community purposes during non-school hours, reinforcing neighborhoods; location in neighborhood centers to facilitate pedestrian and bicycle access; construction of smaller facilities to maximize proportion of nearby students	Smart Growth Strategy Livability Footprint Final Report (p. 15) Putting the Pieces Together (p. 26)		
10	Provide incentives to local governments that enact building codes that allow retention of historic character	Will facilitate reuse of historic structures and add to development attractiveness of older areas.	Smart Growth Strategy Livability Footprint Final Report (p. 15)		Supportive, but not central to smart growth vision
11	Allow housing trust or bond funds for existing affordable housing developments in danger of losing subsidies or tax-exempt status	Will help maintain present stock of affordable housing	Smart Growth Strategy Livability Footprint Final Report (p. 15)		Supportive, but not central to smart growth vision
12	Set minimum wage that can support full-time worker	Will help stabilize lower-income communities	Smart Growth Strategy Livability Footprint Final Report (p. 15)		Supportive, but not central to smart growth vision
13	Provide aggressive job training and economic development programs in low-income communities	Will help people find jobs where they live and allow them to compete in housing market, reducing low-income displacement	Smart Growth Strategy Livability Footprint Final Report (p. 15)		Supportive, but not central to smart growth vision
14	Provide encouragement to merchants to locate in low-income neighborhoods	Will help residents to work, shop and generate income in their communities	Smart Growth Strategy Livability Footprint Final Report (p. 15)		Supportive, but not central to smart growth vision
15	Offer housing subsidies or income tax credits to employees who live close to their workplaces	Will reduce travel and increase loyalty and commitment to place, particularly for public employees	Smart Growth Strategy Livability Footprint Final Report (p. 15)		Supportive, but not central to smart growth vision
16	Encourage or require establishment of urban growth boundaries	Will focus development in areas where infrastructure already exists, will protect open space, and encourages more residents to live within walking distance of jobs, services and transit.	Smart Growth Strategy Livability Footprint Final Report (p. 17)		Legislation apparently not required. Some localities already have urban growth boundaries in place.
17	Provide assistance to local governments to inventory, plan and assemble sites for infill development	Will facilitate reuse of redundant and underused industrial and commercial sites for residential or mixed uses.	Smart Growth Strategy Livability Footprint Final Report (p. 17)	SB 1592 (Torlakson) would require localities to do infill planning, but provides no funding	
18	Provide rewards to local governments that approve new jobs and housing near public transit stations	Will give local governments incentives to develop around transit stations	Smart Growth Strategy Livability Footprint Final Report (p. 17)		

Legislative Initiatives in Smart Growth Strategy and Related Documents

#	Initiative	Regional Planning Purpose	Sources	Related Pending or Enacted Legislation	Comment
19	Provide CEQA or traffic analysis exemptions for transit-oriented and mixed-use projects	Will provide incentives for projects that allow residents to commute on public transit or run errands by foot.	Smart Growth Strategy Livability Footprint Final Report (p. 17)		
20	Provide state financial incentives for mixed use, compact, transit-oriented, infill development	Will encourage local governments, developers and others to overcome biases that lean toward single-use, spread-out, automobile-oriented development	Smart Growth Strategy Livability Footprint Final Report (p. 17)		
21	Provide increased funding to improve the safety, reliability and convenience of transportation alternatives such as rail, bus, ferry, bicycling and walking	Will encourage people to leave their cars at home	Smart Growth Strategy Livability Footprint Final Report (p. 17)		Not likely in current fiscal climate
22	Provide tax bonuses to cities that approve compact, mixed-use development near public transit, perhaps in designated "smart growth" zones	Will provide tax incentives, grants, loans and technical assistance for communities that reshape their land-use to meet smart-growth criteria.	Smart Growth Strategy Livability Footprint Final Report (p. 18)		
23	Permit cities to use parking pricing and availability to encourage use of transportation alternatives	Will provide mechanism to discourage use of private vehicles and encourage use of alternatives	Smart Growth Strategy Livability Footprint Final Report (p. 18)		
24	Create a community dividend program: (1) grants and forgivable loans for planning activities that encourage smart growth (2) priority status for infrastructure funds in localities that meet smart growth criteria	Will encourage improved growth patterns and more efficient use of infrastructure funds	Putting the Pieces Together (pp. 12-13)		
25	Authorize tax-increment financing for transit-oriented development	Will allow localities to use TIF powers near rail facilities and along major bus corridors to achieve transit-oriented development objectives	Putting the Pieces Together (p. 16)		
26	Dedicate a portion of the growth in locally generated property or sales taxes to encourage the production of housing and transit oriented development and provide parks, open space, and other infrastructure (in association with regional tax-sharing strategy)	Will provide a fiscal incentive for housing.	Putting the Pieces Together (p. 17)		
27	Dedicate a portion of the property tax increment from specific smart growth projects to support local housing and other community needs	Will provide a fiscal incentive for housing.	Putting the Pieces Together (p. 17)		

Legislative Initiatives in Smart Growth Strategy and Related Documents

#	Initiative	Regional Planning Purpose	Sources	Related Pending or Enacted Legislation	Comment
28	Permit city/county voluntary agreements to provide for an exchange of a portion of the city's sales tax revenue for a portion of the county's property tax.	Will make the city more dependent over time on residential property revenue and will provide a fiscal incentive for housing.	Putting the Pieces Together (p. 17)		
29	Streamline CEQA for infill development, subject to upfront criteria	Will reduce time and redundancy in obtaining development entitlement by certifying upfront that project, because of its in-fill, smart-growth nature, does not have to address some CEQA issues.	Putting the Pieces Together (p. 20)		
30	Provide for long-term comprehensive plans that give all participants in the development process greater certainty	Will produce fully-planned smart growth areas, where individual projects would not have to go through CEQA process	Putting the Pieces Together (p. 21)		
31	Employ smart growth criteria as factors of determination in LAFCO process	Will ensure that smart growth principles are applied to annexations and formations of new communities	Putting the Pieces Together (pp. 21-22)		
32	Encourage governments to take an inventory of infill sites or prepare an infill plan as part of the state Housing Element law; grant CEQA exemptions to projects developed pursuant to an adopted infill plan.	Will encourage infill housing production.	Putting the Pieces Together (pp.22-23)		
33	Reduce the disincentives introduced by the threat of construction-defect litigation.	Will encourage construction of more attached housing	Putting the Pieces Together (pp. 23-24)	Several bills in the current session declare an intent to protect builders, but contain no specifics.	
34	Provide clear and definitive guidance on brownfields development; provide consistent regulations across agencies and jurisdictions	Will reduce regulatory maze that currently impedes redevelopment of former industrial sites	Putting the Pieces Together (pp. 26-27)	SB559 (Ortiz and Machado) would establish a pilot process to streamline the cleanup process.	
35	Establish an Affordable Housing Trust Fund	Will assist jurisdictions in providing their fair share of affordable housing	Compact for a Sustainable Bay Area (p. 13)		The mechanism for funding this trust fund is unclear
36	Improve the fair share housing process	Will assist local jurisdictions in accepting and meeting their housing obligations	Compact for a Sustainable Bay Area (p. 13)	AB 2158 and its companion AB 2348 begin the reform process	
37	Permit congestion pricing	Will provide an incentive for high-occupancy vehicle trips and for more efficient use of transportation system	Compact for a Sustainable Bay Area (p. 14)	AB 2032 (Dutra) deals with demonstration hot lanes.	

To: Joint Policy Committee  
From: Paul Fassinger, ABAG Research Director  
Date: September 14, 2004  
Re: Policy Assumptions for Projections 2005

### Summary

In May the ABAG Executive Board adopted policy assumptions to serve as a guide for the Projections 2005 forecast. The following memo describes those assumptions.

### Forecast Parameters:

(1) **Some changes to the basic forecast are needed.** Updated information from the 2000 Census will cause some important changes to the Base Year information. Additionally, the slow pace of job recovery in the Bay Area will also cause us to reduce projected employment beginning in 2005. When compared to our previous forecast, *Projections 2005* is expected to show a 300-350,000 job reduction in year 2005 and reductions in each of the remaining years.

ABAG's previous forecast, *Projections 2003* assumed that an overall economic recovery would result in employment growth sufficient to cause job totals in 2005 to exceed the 2000 job numbers for the region. That assumption now appears inappropriate. Other results may also change in line with a revised job forecast.

(2) **Smart Growth policies show results beginning in 2010.** Some recently completed survey work indicates the acceptance of smart growth principles in many general and specific plans. Regional and state programs continue to support smart growth through transportation funding. State agencies expect to try and link land use and transportation. However, because of the time needed to obtain incentives, and make investments a reality, changes to land use patterns

won't begin to occur until 2010. This assumption is consistent with the timing assumed in *Projections 2003*

**(3) Annual housing production increases by 5,000 units between years 2010 and 2020, and by 7,500 units between years 2020 and 2030 are assumed.** So that current regional production levels of around 20,000 housing units per year would increase to 25,000 housing units per year in the first half of the forecast. This is an increase of about 25% in regional housing production. Some increase in the number of jobs is also expected occur as a result of additional construction activity, and an increase in the expected regional population.

The development pattern is expected to reflect the “network of neighborhoods” concept. With housing and jobs focused on the transit areas and existing urbanized areas identified in the Smart Growth Vision adopted by the regional agencies in 2002.

**(4) Projections will include a comparison of the forecast to the Smart Growth Vision numerical goals and describe the mobility analysis of the “jobs/housing balance scenario.”** This reflects our work with a variety of groups to incorporate Smart Growth Vision numerical goals into this and future iterations of projections and our submission of the “jobs/housing balance scenario” to MTC for mobility analysis.

## **Conclusion**

These policy assumptions formed the basis of the draft *Projections 2005* forecast which was described at the September 16 ABAG Executive Board Meeting. We have sent the draft forecast out for review by local planning agencies. It has also been sent to a variety of interested parties. Comments are due by September 22. It is expected that the forecast will be placed on the ABAG Executive Committee agenda for November, where it may be approved as the organization's official forecast.

## Pending State Legislation Relating to Smart Growth

(Excerpted from MTC's Legislative History, Updated 9/13/04)

Bill	Author	Title & Description	Status	MTC	ABAG	BAAQMD	LCC	CSAC
AB 392	Montanez	Community Based Planning Grants  Creates subaccounts to fund the Environmental Justice and Community Based Transportation Planning grant programs, with intent of making programs permanent, rather than at discretion of Administration.	Failed Passage; Senate Trans. Committee	Support				Oppose Unless Amended
AB 672	Montanez	Location-Efficient Mortgages  Provides that downpayment assistance may be provided up to 5% for homes located within an infill opportunity zone, as defined.	Enrolled		Watch			
AB 723	Matthews	Jobs-Housing Opportunity Zones  Authorizes cities and counties to create infrastructure financing districts in jobs-housing opportunity zones, as defined, to finance public capital facilities in the five-county interregional partnership area that includes Alameda, Contra Costa, Santa Clara, San Joaquin, and Stanislaus counties.	Failed Passage; Senate Approp's Committee					

Bill	Author	Title & Description	Status	MTC	ABAG	BAAQMD	LCC	CSAC
AB 1268	Wiggins	Land Use: General Plans  Authorizes the text and diagrams of the land use element in a General Plan to express community's intentions in terms of "form and design" that may differentiate neighborhoods, districts and corridors and provide for mixture of land uses and housing types.	Enacted 7/20/04					
AB 1320	Dutra	Transit Village Designation: Criteria  Reduces the criteria from 13 to 5 that must be met for a city or county to designate a transit village and broadens the definition of a transit station to include bus and ferry stations as well as rail. Proponents believe that the designation of transit villages will be used in future state funding programs.	Enacted 5/20/04				Support	Pending



SB 849	Torlakson	<p>Joint Policy Committee</p> <p>Codifies the MTC-ABAG joint policy committee in state law. Makes a legislative finding that the BAAQMD should also be included as a member by June 30, 2005. Requires that the committee report to Legislature by January 1, 2006 on feasibility of consolidating functions. Further requires that the three agencies coordinate the development and drafting of major planning documents.</p>	Enrolled	Support	Oppose Unless Amended	Support		Watch
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Bill	Author	Title & Description	Status	MTC	ABAG	BAAQMD	LCC	CSAC
SB 1087	Soto	Safe Routes to School Program Extension  Extends the program to FY 2008 and requires that Caltrans report to the Legislature on the program by March 2007.	Enacted, 9/09/04	Support				Pending
SB 1381	Kuehl	California Taskforce for Bicycling and Walking  Requires Caltrans to establish a taskforce to make recommendations to ensure that state and local policies enhance bicycling and walking. Also incorporates Caltrans' policy on accommodation of non-motorized travel into state law.	Enrolled	Support				
SB 1592	Torlakson	Mandatory Infill Ordinance  Requires each city and county, except for those that make a finding that existing ordinances comply or counties with populations of 100,000 or less, to adopt or amend an infill ordinance or specific plan. Requires that the infill ordinance or plan provide at least five incentives for infill housing from a list of 10, as well as an affordable housing strategy.	Failed Passage; Assembly Local Govt. Committee		Priority Watch		Oppose	Pending



ASSOCIATION OF BAY AREA GOVERNMENTS  
Representing City and County Governments of the San Francisco Bay Area

LEGISLATION  
2004 State Legislative Session  
Active Bills Considered by Legislation & Governmental Organization Committee  
September 14, 2004

Bill	Author	Subject	Staff Recommen- dation	L&GO Position	Status	Legislation Summary
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*`Bills are sorted by topic in the following order: Land Use/Housing, Local Government Services, Finance, Water, and Environment.*

*New Bills						
Housing, Planning, and Land Use						<b><u>Bold Face in Legislation Summary</u> indicates change/amendments.</b>

AB 672	Montanez	<b>Housing: Downpay- ment Assis- tance and Mortgages</b>	Watch 2004  Support (2003 Session)	Watch 2004  Watch (2003 Session)	<b>Enrolled and sent to Governor for signa- ture 8/27/04</b>	<b>Amended: Would authorize the amount of down- payment assistance under the California Home- buyer Downpayment Assistance Program (CHDAP) which would provide financial assistance for a downpayment (includes a deferred-payment, low- interest, junior mortgage loan to reduce the princi- pal and interest payments, assistance) not exceed- ing 5% of purchase price or appraised value, whichever is less, of a home within an “infill oppor- tunity zone” or “transit village development dis- trict.” The borrower must provide certification from local government that the home is located within the boundaries of the respective zone of dis- trict. <u>Local Government Impact:</u> <i>Would need to identify the</i></b>
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Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						<i>local government department certifying that location of new home is within the infill opportunity zone or transit village development district and costs associated with certifying..</i>
AB 723	Matthews	Job-Housing Opportunity Zones	Support	Support	SEN Sent to inactive file on motion of Senator Ortiz	<p><b>Allows 5 jobs-housing opportunity zones in five counties to receive property tax revenues to finance public infrastructure.</b></p> <p><b><u>Local Government Impact:</u></b> <i>Would provide Alameda, Contra Costa, Santa Clara, San Joaquin, and Stanislaus counties ability to create these zones and use tax increment financing to fund public works.</i></p> <p><b><u>In Suspense File because:</u></b> <i>Financial concern is that by using this tax increment financing process the growth in property tax revenues would go to finance infrastructure, and not go to schools/ERAF, and concerns that the cost of backfilling lost property tax to schools would be greater than state General Fund revenue</i></p> <p>Would allow cities and counties to create infrastructure financing districts (IFDs) within “jobs-housing opportunity zones” designated by the Inter-Regional Partnership Pilot Project. An IFD can use property tax increment revenues to pay for 8 types of public works, planning and design for the public works, replacement housing and relocation assistance, and property tax administration costs.</p>



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
AB 2158	Lowenthal	Local Planning: Housing Elements	Priority Watch  LCC-Support  CSAC Support	Changed to Support 5/20  Priority Watch	Enrolled and sent to Governor for signature 9/07/04	<p>Significantly revises the regional housing needs assessment process: establishes overall policy objectives for RHNA allocation, requires COGs to incorporate specific factors into their methodologies, establishes a detailed process for determining allocations, allowing public participation and hearing appeals.</p> <p><b><u>Local Government Impact:</u></b> <i>In regards to the RHNA process would establish new clarified policy objectives that would help identify housing needs in communities more realistically and better account for opportunities and constraints in communities. ...e.g. would extend deadlines to enable access to more recent population and housing data; would require HCD to use population forecasts from the COG's regional transportation plan; would allow formation of subregions of county and all cities, or any other combination of contiguous jurisdictions; requires COG to conduct survey for information regarding factors used in the allocation of housing need; requires a diligent effort to achieve public participation; and more.</i></p> <p>This bill revises the procedures for determining shares of the existing and projected regional housing need for cities, counties, and subregions at all income levels. It enacts consensus based changes proposed for the regional housing needs allocation (RHNA) process by the</p>



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						<p>Housing Element Work Group and language reforming the regional housing needs process, land inventory, and "by-right" development. Streamlines the RHNA process but does not fundamentally change state of local activities</p> <p>Was a spot bill for housing element reform to include recommendations from the HCD Housing Element Working Group.</p>
AB 2348	Mullin	Housing	Support  League-Support  CSAC-Pending	Watch	Enrolled and sent to Governor for signature 8/27/04	<p><b>Amended 6/24: Would revise the criteria for the inventory of sites that can be developed for housing within the planning period of the general plan to accommodate that portion of a city's or county's share of the regional housing need for all income levels, and would expand relocation assistance available to persons displaced by sites identified for substantial rehabilitation. Would provide that HCD is to evaluate a proposed or adopted housing element for substantial compliance with governing state law, and would revise requirements that may be imposed on a development project that contributes to meeting the regional housing need. Would create a state-mandated local program.</b></p> <p><b><u>Local Government Impact:</u></b> <i>Brings clarity to housing element provisions local government must meet regarding planning and development of affordable housing, anti-NIMBY statute, and density bonus law. Gives more flexibility, limits excessive parking requirements</i></p>



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						<i>for density bonus developments, and strengthens protections against arbitrary project denials.</i> Makes numerous changes to the provisions of housing element law pertaining to land inventory, adequate sites, and permitted use based on the work of the Housing Element Work Group, providing clarity and transparency to current requirements.
AB 2702	Steinberg	Second Units	Watch  LCC-Oppose  CSAC-Oppose	Oppose	Enrolled and sent to Governor 9/8/04	<b>Amended: Establishes more detailed standards for local second unit ordinances, specifies what densities are to be allowed on school sites when housing and schools are built on the same site, alters the definition of “use by right” development for housing element process.</b> <b><u>Local Government Impact:</u></b> <i>Limits local governments’ ability to deny or place restriction on the development of second housing units. Mandated densities on school sites is another provision and does not take into consideration local planning decisions and issues related to location, traffic, site conditions, or other local issues.</i> This bill would repeal existing law on second units and replace it to require local agencies to adopt ordinances to permit second units all residential zones under specific criteria and would provide that a local agency may not totally preclude second units unless the ordinance



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						contains findings based on substantial evidence for second units.
AB 2980	Salinas	Housing Element: Self Certification	Priority Watch  LCC-Support  CSAC-Support	Priority Watch	ASM Appropriations Hearing postponed  No movement	<b>Amended: Establishes an alternative production-based, self-certification process for the housing elements of cities and counties. The key provision of the bill specifying the production standard that cities and counties would be required to meet in order to self-certify their housing elements have been left blank, to allow the bill to move forward while the various stakeholders strive to meet a consensus.</b> A League-sponsored bill which would grant regulatory relief from Sate Department of Housing reviews of local housing elements for those communities which commit to hit a targeted production level of affordable housing. Would authorize “production-based certification,” and reward communities with a return of their local control if they commit build at least 15% of their share of low and very low income housing over their five year housing element cycle. Note that this is also a spot bill for housing element reform that will include recommendations from the HCD Housing Element Working Group.
AB 3065	Kehoe	General Plan: Safety Element	Oppose  LCC Oppose	Watch	Enrolled and sent to Governor for signa-	<b>Amended: Expands the review by the State Board of Forestry and Fire Protection and local fire agencies of local general plans’ safety elements to include the adoption and amendment of safety ele-</b>





Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
			and  CSAC oppose		ture 8/27/04	<p>ments in each city or county that contains a very high fire hazard severity zone. Requires local planners' annual report contain status of their general plans to include protection of the community from unreasonable risks.</p> <p><b><u>Local Government Impact:</u></b> Amendment does narrow the review process to those jurisdictions with very high fire hazard severity. It expands an existing state mandate; however bill disclaims state's duty to pay mandated costs because counties and cities can charge fees—referring to AB 2936 (Aroner) passed in 2002 that authorized counties and cities to hike their permit processing fees to pay for the costs of updating general plans.</p> <p>This bill would revise and recodify the safety element requirements: deletes existing cross-references in the safety element sections of the Planning and Zoning Law to sections of the Public Resources Code pertaining to planning for fire protection in state responsibility areas, and, instead, incorporates those provisions into the body of the Planning and Zoning Law. Safety element is one of seven mandatory elements of general plan and is the place where local governments are required to provide for protection against unreasonable risks from among other things wild land and urban fires, the effects of seismically induced surface rupture, ground shaking, ground failure, tsunami, seiche, and</p>



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						dam failure. There is concern that this bill would have severe financial impact on city and county budgets and is vague about assess plan performance measure and standards.
SB 558	Ducheny	Local Residential Zoning: Vacant Land	Watch	Oppose	ASM Appropriations Suspense File Hearing postponed  No movement	<b>This bill would require the land use element to include a statement of the standards of population density and building intensity recommended for the various districts and other territory covered by the plan. Must also include by reference, any existing inventory of current and planned infrastructure capacity relevant to various districts and other territory. Bill author is now saying it's a spot bill.</b> <i>Local Government Impact: Creates a state mandated local government program with funding a question.</i>
SB 849	Torlakson	Metropolitan Transportation Commission and Association of Bay Area Governments	Oppose unless amended	Oppose unless amended	Enrolled and sent to Governor for signature 8/31/04	<b>Amended 6/15: Would express the Legislature's findings that the Metropolitan Transportation Commission has collaborated with the Association of Bay Area Governments on regional coordination and agreed to create a joint policy committee. Would express the legislature's findings that the Bay Area Air Quality Management District should be included on the joint policy committee by June 30, 2005, as a represented agency.</b> Amended 5/6/04 and 5/19/04: This bill authorizes a Joint Policy Committee to continue developing coordinated planning and collaborative decision-making among three San Francisco Bay Area agencies: the



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						Association of Bay Area Governments, the Bay Area Air Quality Management District, and the Metropolitan Transportation Commission. Directs the Joint Policy Committee to report to the Legislature by January 1, 2006, on the feasibility of consolidating functions separately performed by ABAG and the commission.
SB 1212	Ducheny	Local Government Finance: Local Government Revenue Balancing Act	Watch  LCC Watch	Watch	ASM Appropriations  Held in Committee under submission  No movement	<b>Amended: Exchanges vehicle license fee (VLF) backfill revenue for an equal amount of local property tax revenue that would otherwise have been allocated to the Educational Revenue Augmentation Fund (ERAF) in each county. Specifically, beginning with the 2005-06 fiscal year, this bill would indefinitely offset the vehicle license fee by 67.5% and also eliminate the reimbursement payments to counties and cities that are required under various provisions. This bill would instead require that each county and city annually receive, beginning with the 2005-06 fiscal year, a base amount determined with reference to the payments received under these provisions by these entities in the 2003-04 fiscal year, plus, beginning with the 2006-07 fiscal year, a share of the growth in regionwide tax base, as defined. This bill would also reduce these substitute payments of the vehicle license fee is increased, as provided. This bill would require that these substitute payments be made through a combination of General Fund revenues, determined</b>



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						with reference to a specified sales and use tax rate, and a portion of the ad valorem property tax revenues collected in a county that would otherwise be allocated among school entitles in that county. <b><u>Local Government Impact:</u></b> <i>Specifies that all these provisions are contingent upon passage of a constitutional amendment that protects local government revenues at the November 2, 2004, statewide general election.</i>
SB 1404	Soto	Multifamily Improvement Districts	Watch  LCC-Watch	Watch	Enrolled and sent to Governor for signature 8/30/04	<b>Amended: Enacts the Multifamily Improvement District Law until January 1, 2012—if a city (or a county) receives a petition signed by either 2/3 of property owners or 2/3 of business owners in an area, the city council may form a “multifamily improvement district.” Must develop a management district plan, prepared by a licensed engineer; must show the proposed assessments that each property owner/business owner would pay; benefit assessments must be approved in a weighted ballot election.</b> <b><u>Local Government Impact:</u></b> <i>Gives local officials a new tool to reverse neighborhood blight before extreme measures are needed and doesn’t require 100% of owners to participate which was needed in private property owners’ associations.</i>



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
SB 1592	Torlakson	Local Planning	Priority Watch  LCC Oppose  CSAC-Pending	Priority Watch	ASM Local Government  Hearing Cancelled at author's request 6/16/04  <b>No Movement</b>	<b>Amended: Would require cities and counties to adopt or amend a specific plan for infill development that identifies potential infill sites and specifies appropriate zoning to encourage infill development on vacant and underutilized parcels. Requires the ordinance or specific plan to provide at least five incentives for infill housing, as well as an affordable housing strategy.</b> <b><u>Local Government Impact:</u></b> <i>Supporters (American Planning Association –sponsor) say that this bill promotes infill development by allowing local governments to adopt their choice of a variety of techniques in order to fit local conditions and circumstances—gives latitude to local governments to determine how to comply. Opposition to bill: local jurisdictions already losing property tax dollars and redevelopment funds, another mandated requirement for infill development is not effective and too many other conflicting mandated requirement. Looking at Housing Element and/or CEQA exemptions and resolution to construction defect issues are a few other kinds of more effective strategies.</i> Would require each city and each county to adopt or update an infill ordinance or specific plan that identifies potential infill sites and specifies appropriate zoning to encourage infill development on vacant and underutilized parcels. It would require the infill ordinance provide at least 5 incentives for infill housing. The 5 incen-



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						tives should be from the following: flexible and clear urban design guidelines and clear procedures for review; increased densities; minimum densities; increased building heights; reduced development impact fees and services fees where allowable; establishment of a business improvement district or community facilities district; reduction of minimum lot sizes or allow for single-family detached condominiums; incentives for mixed use projects; higher densities and lower parking requirements near transit stations; establishment of a housing rust fund or require inclusionary zoning. This bill would create a state-mandated local program, with no reimbursement provided.
SB 1818	Ducheny & Hollingsworth	Density Bonuses	Watch  LCC- Oppose unless amended  CSAC- Oppose	Watch	Enrolled and sent to Governor for signature 9/3/04	Amended: Lowers the number of housing units required to be provided at below market rate in order to qualify for a density bonus, and lowers the density increase from 25% to 12.5% in the number of extra units that may be built over the otherwise maximum allowable residential density under the local zoning ordinance. Creates a sliding scale of density bonuses based on the percentage of affordable units in the proposed development. Expands the law to apply to planned unit developments that include moderate income housing and situations in which a developer of market-rate units donates land for affordable housing.



Bill	Author	Subject	Staff Recommendation	L&GO Position	Status	Legislation Summary
						<p><b><u>Local Government Impact:</u></b> <i>There is concern that a developer, in addition to the actual density bonus, would have to receive an incentive of concession from the local government, and that the bill does not specify that the local inclusionary ordinance would still apply and supercede developer request for less affordable units.</i></p> <p><i>Concern that it is unclear about land donation stipulations; and about development standards definition—as currently written this definition prohibits a city/county from imposing “any ordinance, general plan element, specific plan, charter amendment, or lother local condition, law, policy, resolution, or regulation,” if the developer disagrees that it should be imposed, or the city/county can be taken to court.</i></p>

Environment

SB 1703	Alarcon	California Certified Green Business	Support  LCC Support  CSAC Support	Support	Enrolled and sent to Governor for signature 9/3/04	This bill would establish a voluntary California certified green business program to certify businesses that engage in environmentally beneficial operations. Authorizes a city or county or its designed agent to institute a California certified green business program, by notifying the Environmental Finance Center at California State University, Hayward of its intentions to designate a Green business coordinator and implementing the program in
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Bill	Author	Subject	Staff Recommen- dation	L&GO Position	Status	Legislation Summary
						accordance with specified guidelines. <b><u>Local Government Impact:</u></b> <i>Provides a voluntary process and collaboration for business, local government and agencies to work together to address environmental concerns and regulations.</i>



